

# UNIVERSITY OF SOUTHERN COLORADO

## PERFORMANCE PAY PROGRAM

### Mission Statement:

The University of Southern Colorado (USC), in accordance with the mission defined by the Colorado Commission on Higher Education in 1978 and revised in 1985, provides a unique contribution to higher education in the state. USC strives to become an excellent regional university with a polytechnic emphasis, continuing its tradition of teaching effectiveness and increasing its efforts in basic and applied research while maintaining a high degree of service to the citizens of Pueblo, the region and the state.

### Plan Overview\Performance Management

The University of Southern Colorado has a staff of 513 employees (341 are contract status and 162 are classified status). Contract staff have historically been reviewed and rewarded based on a merit system, while classified staff have been compensated according to the state classification system.

### Communication and Training

The University of Southern Colorado will provide a hard copy of the plan via intercampus mail as well as e-mail. Comprehensive training will be provided to all supervisors and employees. Training for supervisors is mandatory. For new supervisors and employees, training will be included in new employee orientation.

### Performance Plan

The supervisor and the employee will jointly develop a performance plan based on a discussion of the employee's job priorities, continuing activities, and work goals for the plan year. The performance plan is a work plan written by the supervisor in consultation with the employee and **must** include:

- The five uniform statewide core competencies:
  - **Communication**
  - **Interpersonal Skills**
  - **Customer Service**
  - **Accountability**
  - **Job Knowledge**
- The employee's anticipated work priorities for the plan year. Continuing work activities as delineated in the employee's job description or Position Description Questionnaire (PDQ)
- Expectations for the employee's performance
  - Teamwork can be measured as a component of an individual's performance plan
- Specific training and/or professional development activities as they relate to the performance plan

**All supervisors must have a factor included in their performance plan/evaluation that measures and evaluates the effectiveness of their performance management of their employees.**

The result should be a performance plan that presents a clear understanding of all performance expectations. Supervisors are ultimately responsible for developing the performance plan; plans shall be completed within 30 days of the new plan year (April 30) or within 30 days of a new job assignment.

### Performance Evaluation

In order to evaluate the individual's performance plan, a performance evaluation will be conducted annually for the previous twelve-month period beginning April 1 and ending March 31. Coaching and feedback are

mandatory during the plan year. In addition, the supervisor and the employee will meet during the halfway point of the evaluation period (between September 30 and October 15) and conduct a mid-year progress review. The mid-year review must be documented and forwarded to the Human Resources Office by October 20 of the plan year. The supervisor and employee will review the existing plan and agree on any changes made. The performance appraisal forms will be distributed between March 1 – 31 and performed during the month of April. The President and his appointing authority designees shall be responsible for conducting a review of all employee evaluations.

The supervisor should complete an evaluation based on the employee's performance consistent with the Performance and Appraisal Plan. Supervisors are ultimately responsible for completing the performance evaluation; evaluations shall be completed within 30 days of the plan year (April 30). Multi-source assessment processes, where feasible, should be considered for evaluating employees. *The five uniform core competencies cannot be disregarded in the final rating for each employee.*

*Upon the supervisor's completion of the evaluation, the appropriate Appointing Authority or Designee (i.e. Deans, Directors) will review the evaluation for quality and consistency before the employee's final rating is given.*

Four ratings are used: **Meritorious**, Commendable, Proficient and Needs Improvement.

**Meritorious** - Employee far exceeds expectations in essential elements of a position.

**Commendable** - Employee exceeds expectations in essential elements of a position.

**Proficient** - Employee meets expectations in essential elements of a position.

**Needs Improvement** - Employee fails to meet expectations in essential elements of a position.

If a supervisor fails to prepare a performance plan/evaluation, the reviewer shall be responsible for preparation. If neither the supervisor nor reviewer prepares a performance plan/evaluation, the reviewer's supervisor will prepare the performance plan/evaluation and on up the chain of command until the performance plan or evaluation is complete. Supervisors who fail to plan with or evaluate their employees are subject to action under CRS 24-50-118 (suspension without pay for not less than one work week). Classified supervisors who fail to plan with or evaluate their employees will not be eligible for performance awards.

## Performance Awards

Permanent classified employees may be eligible for performance awards each year. USC will continue to fund the State Total Compensation Survey as approved by the state legislature and mandated by the state constitution. The President will determine the dollar amount and type of award, if any, for two categories. The first category will be for base building funds. Base building salary awards increase the individual salary for future years. The second category will be non-base building funds. Non-base building awards increase an individual salary for one year only and must be re-earned annually.

The President will determine what amounts or awards are available in each category during the university budget development process. Quotas or forced distribution processes for determining the number of ratings in any of the four performance levels shall not be established.

- Employees rated as **Meritorious** and below the pay range maximum are eligible for base building, non-base building or a combination of performance awards. Base-building awards are not to exceed maximum of the pay range. Employees rated as outstanding below maximum are eligible for an **Y.1-Z%** award. The evaluation criteria must vary each year for **Meritorious** employees.
  - Employees rated as **Meritorious** and at the pay range maximum are eligible for performance-based awards of 0-Z%. These awards are non-base building and are at the sole discretion of the President based upon availability of funds as determined during the annual budget process.
- Employees rated as **Commendable** and below the pay range maximum are eligible for base building, non-base building or a combination of awards. No awards are to exceed maximum of the pay range. Employees rated as commendable below maximum are eligible for an **X.1-Y%** award.

- Employees rated as **Commendable** and at the pay range maximum are not eligible for performance-based awards.
- Employees rated as **Proficient** and below the pay range maximum are eligible for base-building and/or non-base building awards not to exceed maximum of the pay range. Employees rated as proficient are eligible for a **0.1-X%** award.
  - Employees rated as **Proficient** and at the pay range maximum are not eligible for performance-based awards.
- Employees rated as **Needs Improvement** are not eligible for a performance award. For such employees the supervisor must implement a performance improvement plan or initiate a corrective action in accordance with personnel rules.

The President shall set the X and Y percentages during the annual budget process, while the State Personnel Director shall set the Z percentage on an annual basis and publish that percentage in the annual Total Compensation Survey report.

Performance awards for employees below the maximum may be base building, non-base building or a combination of both based upon funds available as determined by the President during the annual budget process. No award shall be guaranteed. No performance award or combination of awards shall exceed the set maximum of each performance rating level. Appointing Authorities will make pay decisions based on the evaluations completed by supervisors and reviewers and within the system boundaries. Annual base and non-base building performance awards **may** be a percentage of salary **or a fixed amount within the percentage range**, effective July 1.

**During the first year, USC will use an individual, employee based annualization process to determine awards (see Appendix A). The first performance awards will be distributed beginning July 1, 2002 and will be funded by monies originally allocated to pay anniversary increases.**

Teamwork can be measured as a component of an individual's performance plan and awards, both base building and non-base building, proportioned accordingly.

Employees will be notified in writing of their award amount whether base-building and/or non-base building no later than May 31.

Non-base building awards are paid as a lump sum by July 31. Employees who are to receive a non-base-building award shall receive the amount in full if the employee terminates employment with the university.

A non-monetary review committee will meet annually and make recommendations on non-monetary awards to the president.

USC shall track and report performance and award information annually to the State Department of Personnel. The report shall indicate total monies budgeted for performance awards, total performance award monies given to each employee, total monies awarded per performance category, and the total number of disputes.

## **Dispute Resolution**

The University of Southern Colorado provides a review process that is designed to resolve performance management issues in a timely manner. This process has two stages – internal to the University of Southern Colorado and external to the Colorado State Department of Personnel. The President of the University of Southern Colorado has delegated the final decision-making authority in the internal dispute resolution process to the administrative directors and deans of each department. If the director or dean is the supervisor or next level supervisor/reviewer of the individual requesting the review, the final decision will be made by the appropriate appointing authority (President, Vice-President or Provost) or the Director of Human Resources. The State Personnel Director retains jurisdiction for disputes related to performance evaluations that do not result in corrective or disciplinary action.

The University of Southern Colorado dispute resolution process is an open, impartial process. Informal resolution of disputes at the lowest level is encouraged.

This process applies to the University of Southern Colorado Performance Pay Program only and is not a grievance or appeal process.

Although no party has an absolute right to legal representation, during the informal and formal process the employee may have an advisor of his/her choice assist him/her. The employee is expected to represent and speak for him/herself.

Employees may use the dispute resolution process without fear of retaliation.

A copy of the dispute resolution process and the name of the appropriate dean, director and appointing authority will be provided to each employee no later than February 15 of every year.

The employee shall discuss the reviewable issue with his/her immediate supervisor and attempt to resolve the problem informally prior to pursuing the formal USC dispute resolution process.

### **The Role of the Director of Human Resources**

At any stage of the internal dispute process, the employee, supervisor, next level supervisor/reviewer, dean, director or appointing authority may call on the Director of Human Resources to provide information about the dispute resolution process and/or to extend the time frames on the internal review process. The Director of Human Resources may extend the time frames on the internal process if it is determined that the extension will serve to resolve the dispute. The Director of Human Resources may be the investigator/reviewer in cases where the appointing authority is the supervisor or next level supervisor/reviewer.

### **What Can/Cannot Be Reviewed**

#### **Only the following matters may be disputed:**

- The individual performance plan, including the lack of a plan during the planning cycle;
- The individual performance evaluation;
- The lack of a final rating (in this case, a default rating of 400 is assigned pending the outcome of the dispute resolution process);
- The application of the University of Southern Colorado's performance pay program, policies, or processes;
- Full payment of an award.

Final resolution of the issues concerning the employee's performance plan/lack of plan, and the employee's evaluation shall occur at the internal level. Employees will have no further recourse for resolution of these issues.

#### **The following matters may not be disputed:**

- The interim rating or mid-year progress review;
- The content of the University of Southern Colorado's performance pay program;
- Matters related to the funds appropriated
- The performance evaluations and awards of other employees;

- The amount of a performance award, including whether it is base or non-base building, any combination or none, unless the issue involves the application of the University of Southern Colorado's performance pay program.

### **Internal Formal Dispute Resolution Process**

#### **Request for Initial Review**

- In the event the dispute is not resolved at the informal level, the employee may request, in writing, an initial review to his/her immediate supervisor within three (3) working days of the occurrence of the dispute, with a copy forwarded to the Director of Human Resources;
- The written request for review must be dated and signed by the employee. It shall present the facts, including dates, of the dispute and the desired remedy;
- The immediate supervisor shall acknowledge receipt of the request for initial review by written form;
- The immediate supervisor shall schedule a meeting to include the supervisor, employee and next level supervisor/reviewer with five (5) working days of receipt of the request for initial review. The purpose of the meeting is to discuss the issues presented in the request for review;
- Within five (5) working days of the meeting, the supervisor, in consultation with the next level supervisor/reviewer, shall answer, in writing, the employee's dispute, with a copy of the letter forwarded to the Director of Human Resources;
- Should the employee disagree with findings of the supervisor, he/she may request a review by the appropriate dean, director or appointing authority, as described in the **Final Review** process;

#### **Request for Final Review**

- If the employee disagrees with the response given by the supervisor during the initial review process, he/she may request, in writing, within three (3) working days of receiving the written response a request for final review to the appropriate dean, director or appointing authority with a copy forwarded to the Director of Human Resources. Only the issues presented during the request for initial review may be submitted;
- The dean, director or appointing authority must acknowledge receipt of the request for final review to the employee in written form. Any request for final review submitted after three (3) working days will not be accepted - the issue shall be considered closed on the basis of the written response during the initial review process;
- The dean, director or appointing authority shall schedule a meeting with the employee, supervisor, and next level supervisor within five (5) working days of the receipt of the request for final review;
- Within five (5) working days the dean, director or appointing authority shall complete his/her investigation and shall answer the employee's dispute in writing, with a copy of the letter forwarded to the Director of Human Resources.

**Only issues originally presented in writing shall be considered throughout the dispute review process. Decision-makers are limited to addressing the facts surrounding the dispute and shall not substitute their judgement for that of the supervisor and reviewer, but may instruct the supervisor to;**

- **Follow the University of Southern Colorado's Performance Pay Program;**

- **Correct errors;**
- **Reconsider a performance rating or plan;**
- **Suggest other appropriate processes.**

**Decision-makers cannot render a decision that would alter the University of Southern Colorado's Performance Pay Program.**

#### **External Review Process**

**Only the application of the University of Southern Colorado's Performance Pay Program, policies or processes, full payment of an award, or the lack of a final rating may be submitted for review by the Director of the State Department of Personnel.**

- Within five (5) working days of the University of Southern Colorado's final decision, an employee may file a written request for review with the Director of the State Department of Personnel at:

Director of the State Department of Personnel  
1120 Lincoln Street, Suite 1420  
Denver, CO 80203

- The request for external review shall include a copy of the original issue(s) submitted in writing during the internal formal review process and the University's final written decision;
- The Director of the State Department of Personnel or designee shall select a qualified neutral third party to review the dispute(s). The neutral party has thirty (30) days to issue a written decision, which is final and binding.

### **Appendix A**

In the first year of implementation, the percentage of award will be calculated by first determining the award percentage for each rating level. Then each individual's actual dollar award would be calculated based on their anniversary date. That amount would then be spread over an entire year (12 months) instead of only the months after the employee's anniversary date. The formula for this calculation is as follows:

1. Employee's monthly salary times award percentage times number of months after the anniversary date = dollar amount of first year performance award.
2. Dollar amount of first year performance award divided by 12 = monthly salary increase.
3. Monthly performance award divided by employee's monthly base salary = first year performance award percentage.

**Example:**

Employee A earns \$2000.00 per month and has an October anniversary date. This employee is rated as *Meritorious*.

Annual Base Salary:	\$24000.00
Base Building performance award percentage:	5%*
Number of Months since anniversary month:	9
Base Building performance award:	\$900.00
First-year base building award percentage:	3.8%
Annual salary with base building award:	\$24900.00
New monthly salary with base building award as of July 1, 2002:	\$2075.00

Formula:         $\$2000.00 \times 5\% \times 9 = \$900.00$

$\$900.00 \text{ divided by } 12 = \$75.00$

$\$2000.00 + \$75.00 = \$2075.00/\text{month}$

\*This percentage is used for comparative purposes and should not be interpreted as the performance award for Outstanding performers.